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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/610,955	07/01/2003	David Myr	MAK-104US	5768

23122 7590 09/16/2009

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EXAMINER	
VIG, NARESH	
ART UNIT	PAPER NUMBER
3629	
MAIL DATE	DELIVERY MODE
09/16/2009	PAPER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte DAVID MYR

Appeal 2009-005949
Application 10/610,955
Technology Center 3600

Decided: September 16, 2009

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and ANTON W. FETTING, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

David Myr (Appellant) seeks our review under 35 U.S.C. § 134 of the final rejection of claims 1-12. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We AFFIRM and add a new ground of rejection under 35 U.S.C. § 101.[1]

THE INVENTION

The invention relates to the appraisal of a real estate property.

Claim 1, reproduced below, is illustrative of the subject matter on appeal.

> 1. A computer-implemented method for appraising a real estate property, the method comprising the steps of:
>
> a) storing influence factors and a range of influence factor values for each of different types of appraisal approaches;
>
> b) performing nonlinear programming with a predetermined nonlinear objective function that uses each of the different types of appraisal approaches according to the stored influence factors and the stored range of influence factor values; and
>
> c) providing signals indicative of an optimal range of appraisal values for the real estate property from the performed nonlinear programming according to each of the different types of appraisal approaches,

[1] Our decision will make reference to the Appellant's Appeal Brief ("Br.," filed Jun. 9, 2008) and the Examiner's Answer ("Answer," mailed Jul. 25, 2008).

wherein each of the different types of appraisal approaches are a sales comparison approach, an income capitalization approach and a cost approach.

THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Robbins US 2001/0039506 A1 Nov. 8, 2001

Galaty et al., *Modern Real Estate Practice*, Sixteenth Edition, 2003, Dearborn Financial Publishing, Inc., Chapter 16, pp. 300-317. [Galaty]

The following rejections are before us for review:

1. Claims 1-12 are rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter.
2. Claims 1-12 are rejected under 35 U.S.C. §112, first paragraph, as failing to comply with the written description requirement.
3. Claims 1-12 are rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.
4. Claims 1-12 are rejected under 35 U.S.C. §103(a) as being unpatentable over Robbins and Galaty.

ISSUES

The issues are whether claims 1-12 are directed to nonstatutory subject matter and thus in violation of 35 U.S.C. §101 for the reasons given by the Examiner; whether claims 1-12 violate 35 U.S.C. §112, first paragraph, as failing to comply with the written description requirement, because the limitation "performing nonlinear programming with a

predetermined nonlinear objective function" (claims 1 and 12) is not described in the Specification; whether claims 1-12 violate 35 U.S.C. §112, second paragraph, as being indefinite because it is not clear whether the step (in claim 1) of performing nonlinear programming is to be conducted by "actually programming the computer [or] inputting of property related data in the computer which [ ] already has nonlinear program" (Answer 4), and, with respect to claim 12, "whether the calculator performs [the recited functions] [or] it is applicant's intention on how the calculator will be used" (Answer 5); and, "whether or not the combination of Robbins and Galaty et al. discloses or suggests performing nonlinear programming with a predetermined nonlinear objective function that uses each of the different types of appraisal approaches." Br. 6.

PRINCIPLES OF LAW

Written Description

"What is claimed by the patent application must be the same as what is disclosed in the specification; otherwise the patent should not issue." *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 736 (2002). "[A]ll that is necessary to satisfy the description requirement is to show that one is "in possession" of the invention." *Lockwood v. Am. Airlines, Inc.*, 107 F.3d 1565, 1572 (Fed. Cir. 1997). The Lockwood decision accurately states the test.

> One shows that one is 'in possession' of *the invention* by describing *the invention,* with all its claimed limitations, not that which makes it obvious. *Id.* ('[T]he applicant must also convey to those skilled in the art that, as of the filing date

> sought, he or she was in possession *of the invention.* The invention is, for purposes of the 'written description' inquiry, *whatever is now claimed.*') (emphasis in original). One does that by such descriptive means as words, structures, figures, diagrams, formulas, etc., that fully set forth the claimed invention. Although the exact terms need not be used *in haec verba, see Eiselstein v. Frank,* 52 F.3d 1035, 1038, 34 USPQ2d 1467, 1470 (Fed.Cir.1995) ('[T]he prior application need not describe the claimed subject matter in exactly the same terms as used in the claims . . . .'), the specification must contain an equivalent description of the claimed subject matter.'

Lockwood v. Am. Airlines, Inc., 107 F.3d at 1572. Compliance with the written description requirement is a question of fact. *Ralston Purina Co.* v. Far-Mar-Co, Inc., 772 F.2d 1570, 1575 (Fed. Cir. 1985).

Definiteness

The test for compliance is whether the claims "set out and circumscribe a particular area with a reasonable degree of precision and particularity" when read in light of the "application disclosure as they would be interpreted by one of ordinary skill in the [...] art." *In re Moor*e, 439 F.2d 1232, 1235 (CCPA 1971).

Obviousness

> Section 103 forbids issuance of a patent when 'the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.'

KSR Int'l Co. v. Teleflex Inc., 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations

including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, and (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 550 U.S. at 407 ("While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.") The Court in *Graham* further noted that evidence of secondary considerations "might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented." *Graham,* 383 U.S. at 17-18.

ANALYSIS

The rejection of claims 1-12 under 35 U.S.C. §101 as being directed to non-statutory subject matter.

We will reverse this rejection.

The Examiner's discussion appears to address only the method claims 1-11 as it only discusses the claimed steps for obtaining an appraisal value of a property. Nevertheless, the reasoning in support of finding the claimed method directed to nonstatutory subject matter is outdated. We enter below a new rejection under §101 of these claims with reasoning that is more consistent with recent changes in the law.

Claim 12 is directed to a system which comprises a "memory," a "calculator," and an "output." The claimed system therefore appears to be a machine.

> The Supreme Court has defined the term ''machine' is a concrete thing, consisting of parts, or of certain devices and combination of devices.' *Burr v. Duryee*, 68 U.S. 531, 570 (1863). This 'includes every mechanical device or combination

> of mechanical powers and devices to perform some function and produce a certain effect or result.' *Corning v. Burden*, 56 U.S. 252, 267 (1853).

In re Nuijten, 500 F.3d 1346, 1355 (Fed. Cir. 2007). Since the Examiner has not addressed the substance of claim 12, there is no explanation as to why the claimed system with all its parts fails to be a statutory machine under §101. Accordingly, the Examiner has not established a prima facie case that claim 12 is directed to nonstatutory subject matter and thus fails to comply with 35 U.S.C. §101.

The rejection of claims 1-12 under 35 U.S.C. §112, first paragraph, as failing to comply with the written description requirement.

The Examiner states that the limitation "performing nonlinear programming with a predetermined nonlinear objective function" (claims 1 and 12) is "not supported by the disclosure originally filed 01 July 2003." Answer 4. We disagree.

While the phrase is not identically disclosed, "the prior application need not describe the claimed subject matter in exactly the same terms as used in the claims [. . .]. " *Eiselstein v. Frank*, 52 F.3d 1035, 1038 (Fed. Cir. 1995).

Both the Specification as originally filed and the original claims describe the invention as an "optimization system" that is disclosed as belonging to "nonlinear programming" (Specification, p. 6 under "Detailed Description"). Furthermore, the Specification states that the optimization system is based on an objective function (Specification, bottom p. 6). As part of the description of an "optimization algorithm," a specific predetermined objective function is detailed (Specification, pp. 7-8). It is

further described as being a "nonlinear optimization algorithm" (Specification, p. 8). Accordingly, the specification contains an equivalent description of the limitation "performing nonlinear programming with a predetermined nonlinear objective function." (Specification, p.9). *See Lockwood v. Am. Airlines, Inc.*, 107 F.3d at 1572 ("… [T]he specification must contain an equivalent description of the claimed subject matter.")

For the foregoing reasons, we find that the specification, as originally filed, describes the invention in sufficient detail so that one skilled in the art can clearly conclude that the inventor had possession of the claimed invention as of the filing date. *See In re Alonso*, 545 F.3d 1015, 1019 (Fed. Cir. 2008) ("To satisfy this requirement, the specification must describe the invention in sufficient detail so "that one skilled in the art can clearly conclude that the inventor invented the claimed invention as of the filing date sought.")(*quoting Lockwood v. Am. Airlines, Inc.*, 107 F.3d at 1572).

The rejection of claims 1-12 under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The Examiner argues that claim 1-12 are vague and indefinite because it is not clear whether the step of performing nonlinear programming is to be conducted by "actually programming the computer, or, it is inputting of property related data in the computer which is already has nonlinear program." Answer 4. The Examiner argues that claim 12 is further vague and indefinite because, with respect to the calculator element of the claimed system, "it is not clear whether calculator performs [the recited functions], or, it is applicant's intention on how the calculator will be used." Answer 5.

We will reverse this rejection. The Examiner's concerns go to the construction to be given the claims rather than indefiniteness. That the claims may encompass conducting the "performing" step (*see* claim 1) via either actual programming or inputting property related data in a computer which already has a nonlinear program is a question of claim breadth, not indefiniteness. "Breadth is not indefiniteness." *In re Gardner*, 427 F.2d 786, 788 (1970). Similarly, the function that the calculator element of the claim 12 system is to perform is a question of claim interpretation and not necessarily indefiniteness. *Cf. Intervet Am., Inc. v. Kee-Vet Labs., Inc.*, 887 F.2d 1050, 1053 (Fed. Cir. 1989) ("Ambiguity, undue breadth, vagueness, and triviality are matters which go to claim validity for failure to comply with 35 USC 112 ¶2, not to interpretation or construction.") In that regard, it appears that no attempt has been made to give the claims the broadest reasonable construction consistent with the specification as it would be interpreted by one of ordinary skill in the art. Unless that is first done, a prima facie case of indefiniteness can not be said to have been established. *Cf. In re Moore*, 439 F.2d 1232, 1235 (CCPA 1971) ("[T]he definiteness of the language employed must be analyzed-- not in a vacuum, but always in light of the teachings of the prior art and of the particular application disclosure as it would be interpreted by one possessing the ordinary level of skill in the pertinent art")

The rejection of claims 1-12 under 35 U.S.C. §103(a) as being unpatentable over Robbins and Galaty.

We rely on the findings set forth in the Answer, found on pages 5-6, which do not appear to be in dispute.

According to the Appellant, the only issue is "whether or not the combination of Robbins and Galaty et al. discloses or suggests performing nonlinear programming with a predetermined nonlinear objective function that uses each of the different types of appraisal approaches." Br. 6. The Appellant does not dispute that performing nonlinear programming with a predetermined nonlinear objective function is disclosed in the cited prior art. Nor does the Appellant dispute that the different types of appraisal approaches are disclosed in the cited prior art. Rather, the appellant argues that the cited prior art would not lead to performing nonlinear programming with a predetermined nonlinear objective function that uses *each* of the different types of appraisal approaches.

The Appellant concedes that Robbins discloses the three approaches to determining value - cost approach, income approach, and sales comparison approach. Br. 7. Referring to [0080] and [0081] of Robbins, Appellant argues, however, that Robbins teaches that its invention is specific to the sales comparison approach, assists in the reliability of the sales comparison approach, and the appraiser selects the most appropriate approach. Br. 7-8. Accordingly, the Appellant argues that Robbins discloses the three approaches but applies its invention only to the sales comparison approach.

We are not persuaded by this argument. Paragraph [0080] of Robbins clearly states that "[i]n determining the market value of a subject property an appraiser generally considers three separate approaches to value; the Cost Approach; the Income Approach; and the Sales Comparison Approach." One of ordinary skill in the art reading this would be led to apply Robbin's invention to *each* of the three approaches. If an appraiser "generally

considers the three approaches," then it would have been obvious for an appraiser to consider *each* of the three approaches. Robbins in ¶ [0081] does not say otherwise. It simply describes using the sales comparison approach as "likely to be of *primary* relevance" (emphasis added) where the real property is an owner-occupied dwelling. Accordingly, in contradistinction to the Appellant's conclusion, Robbins *would* suggest to one of ordinary skill in the art to apply its invention to *each* of the different types of appraisal approaches.

It should also be noted that the Appellant's argument is not persuasive as to error in the rejection of claim 12, which does not require a step of performing nonlinear programming with a predetermined nonlinear objective function that uses each of the different types of appraisal approaches. Rather, claim 12 is "system" claim comprising a "memory," a "calculator," and an "output." Certain functions are recited in claim 12 that each of these elements must be capable of performing. In the case of the "calculator," it must be capable of performing onlinear programming with a predetermined nonlinear objective function that uses each of the different types of appraisal approaches. The Examiner has argued that the combination of Robbins and Galaty teaches this capability. Answer 6. The Appellant has not rebutted this argument either by showing that the prior art fails to disclose a calculator or explained that the calculator in the cited prior art does not have a structure that would give it the capability to perform the function recited in the claim. *Cf. In re Schreiber,* 128 F.3d 1473, 1477-78 (Fed. Cir. 1997)(functional language does not confer patentability if prior art structure has capability of functioning in the same manner).

NEW GROUND

Pursuant to 37 CFR § 41.50(b), we enter a new ground of rejection. We reject claims 1-11 under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

The issue is whether the subject matter of claim 1-11 is patent eligible under 35 U.S.C. §101.

Method claims 1-11.

Claims 1-11 are directed to a "computer-implemented" method for appraising a real estate property. Taking claim 1 as representative of the method claims, it describes a method comprising the steps of a) storing influence factors and a range of influence factor values for each of three appraisal approaches for use in step b); b) performing "nonlinear programming with a predetermined nonlinear objective function" using the stored factors and factor values; and, c) providing signals indicative of an optimal range of appraisal values for the real estate property.

Giving claim 1 its broadest reasonable construction in light of the Specification as it would be interpreted by one of ordinary skill in the art, claim 1 is drawn to a series of "computer-implemented" steps for gathering data, manipulating a mathematical formula, and communicating a result in the appraisal of a real estate property.

Regarding the influence factors and influence factor values recited in step a), the Specification (p. 5) states that a factor may be expressed as a single-point value. A number is a single-point value. Accordingly, step a) covers storing numbers and a range of numbers. The stored factors and factor values are then to be used in step b) when performing nonlinear programming. Notably, the storing step is not limited by structure or

apparatus other than to be, concomitant with the claimed process as a whole, "computer-implemented." The scope of this storing step a) is therefore such that it broadly describes a data-gathering step.

The Specification provides an express definition for "objective function". *See* Specification p. 7. It is a particular formula: $\min/\max\ NPV_i = \sum_i S_i'(1+r_i)^{-d_i/365}$ which is described as an "optimization algorithm". (Specification, p. 7). The Specification states that the "appraiser chooses which factors could influence the appraisal value for all appraisal approaches used" (p. 8). (*See* claim 1's data-gathering step a).) The approaches are the sales comparison approach, an income capitalization approach, and cost approach. *See* claim 1. They are well known and determine the choice of factors. (Specification, p. 5). These chosen factors, as values, are then set in the particular formula (*see supra*) and "the nonlinear optimization algorithm calculates automatically for all approaches used." (Specification 8). This calculation provides for an "optimal property valuation process." (Specification 8). In light of this description of the invention in the Specification, one of ordinary skill in the art reading step b) in the context of the claim as a whole would understand it to describe a step of manipulating a formula for each appraisal approach to determine an appraisal of a real estate property. Accordingly, the step of performing "nonlinear programming with a predetermined nonlinear objective function" per step b) of claim 1 is reasonably broadly construed as manipulating a particular formula, *i.e.*, a mathematical formula or algorithm, based on factors corresponding to each of three known appraisal approaches for obtaining an appraisal of a real estate property. Here, again, the performing step is not limited by structure or apparatus other than to be, concomitant

with the claimed process as a whole, "computer-implemented." The scope of this performing step b) is therefore such that it broadly describes a formula-manipulating step.

Step c) appears to be a step of communicating a solution obtained from the manipulation of the formula of step b) indicative of an optimal range of appraisal values for the real estate property. Step c) recites "*providing signals* indicative of an optimal range of appraisal values for the real estate property from the performed nonlinear programming according to each of the different types of appraisal approaches." Claim 1. The Specification gives no express definition for "signals." A definition for "signal" is "indication." (*See Webster's New World Dictionary* 1248.(3rd Ed. 1988.)(Entry 1. for "signal.") If "signal" is given an ordinary and customary meaning consistent with the dictionary meaning then one of ordinary skill in the art reading step c) in the context of claim 1 as a whole would understand it to describe indicating a solution to the formula of step b) indicative of an optimal range of appraisal values for the real estate property. Here, once again, the "providing signals" step is not limited by structure or apparatus other than to be, concomitant with the claimed process as a whole, "computer-implemented." The scope of this "providing signals" step c) is therefore such that it broadly describes communicating the result of step b). At best, this is a post-solution activity.

Accordingly, the broadest reasonable construction of claim 1 in light of the Specification as it would be interpreted by one of ordinary skill in the art is that it describes a series of "computer-implemented" steps for gathering data, manipulating a mathematical formula, and communicating a

result. The field of use for the formula in the claimed process is real estate appraisal.

The method claimed recites steps and is thus nominally drawn to a process. However,

> the proper inquiry under § 101 is not whether the process claim recites sufficient "physical steps," but rather whether the claim meets the machine-or-transformation test. [fn]25 As a result, even a claim that recites "physical steps" but neither recites a particular machine or apparatus, nor transforms any article into a different state or thing, is not drawn to patent-eligible subject matter. Conversely, a claim that purportedly lacks any "physical steps" but is still tied to a machine or achieves an eligible transformation passes muster under § 101.

In re Bilski, 545 F.3d 943, 961 (Fed. Cir. 2008) (en banc).

Only the machine prong of the *Bilski* test is at issue here because the claimed method does not transform a particular article into a different state or thing.

The machine prong of the *Bilski* machine-or-transformation test is satisfied by showing that a claimed process is "tied to a particular machine." *Bilski*, 545 F.3d at 954. Claim 1 does not recite a particular machine per se. Rather, the claim recites the phrase "computer-implemented" in the preamble. This indicates to those of skill reading the claim that the steps in the claimed process are to be affected or carried out via the use of a computer. Whether an indication in a preamble of a process claim to the effecting or carrying out of subsequent process steps via a computer is sufficient to tie the process to a "particular" machine and thereby satisfy the machine prong of the *Bilski* machine-or-transformation test for a claimed

process to pass §101 muster is an open legal question.[2] But we find that, in this case, the recitation of the phrase "computer-implemented" in the preamble of the claim is insufficient to satisfy the test.

As we have reasonably broadly construed it (*see supra*), claim 1 is drawn to a series of computer-implemented steps for gathering data, manipulating a formula, and, at best, involving post-solution activity.

Steps a) and c) to data-gathering and, at best, post-solution activity, do not impose meaningful limits on the claim's scope. "This court and our predecessor court have frequently stated that adding a data-gathering step to an algorithm is insufficient to convert that algorithm into a patent-eligible process." *Bilski*, 545 F.3d at 963.

> The *Diehr* Court also reaffirmed a second corollary to the machine-or-transformation test by stating that "insignificant post solution activity will not transform an unpatentable principle into a patentable process." *Id.* at 191-92, 101 S.Ct. 1048; *see also Flook,* 437 U.S. at 590, 98 S.Ct. 2522 ('The notion that post-solution activity, no matter how conventional or obvious in itself, can transform an unpatentable principle into a patentable process exalts form over substance.').

Bilski, 545 F.3d at 957.

Step (b) manipulates a mathematical algorithm. It is a step that contains a formula for appraising a real estate property but which contains no structure other than to be "computer-implemented."

> The *Diehr* Court stated:[W]hen a claim containing a mathematical formula implements or applies that formula in a

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[2] "We leave to future cases the elaboration of the precise contours of machine implementation, as well as the answers to particular questions, such as whether or when recitation of a computer suffices to tie a process claim to a particular machine." *Bilski*, 545 F.3d at 962.

> *structure* or process which, when considered as a whole, is performing a function which the patent laws were designed to protect (*e.g.,transforming or reducing an article to a different state or thing*), then the claim satisfies the requirements of § 101." 450 U.S at 192, 101 S.Ct. 1048 (emphases added).

Bilski, 545 F.3d at 956, fn. 12. Here, the mathematical formula or algorithm is not in a process for transforming or reducing an article to a different state or thing but rather is implemented in a computer to determine a value for a real estate property.

The question is whether "computer-implementation" of an algorithm in the determination of a value for a real estate property is patentable subject matter under §101.

Given that claim 1 recites no other structure in the body of the claim, the phrase "computer-implemented" in the preamble of claim 1 is a nominal recitation of structure. Albeit the phrase ties the claimed process to a computer per se, it does not tie the process to any particular computer. By this phrase, the claim covers tying the process to any general-purpose computer. Thus, the claim covers implementing a particular algorithm in a general purpose computer for the appraisal of a real estate property.

> Algorithms per se are not patentable under §101.
>
> Mathematical algorithms have, in other cases, been identified instead as abstract ideas rather than laws of nature. *See, e.g., State St.,* 149 F.3d at 1373. Whether either or both views are correct is immaterial since both laws of nature and abstract ideas are unpatentable under § 101. *Diehr,* 450 U.S. at 185, 101 S.Ct. 1048.

Bilski, 545 F.3d at 953, fn. 6.

Nor would the appraisal of a real estate property per se appear to be patentable under § 101. The appraisal of a real estate property is an

estimation of the value of land and/or that which is affixed to land that is subject to ownership and having rights and interests. While the underlying property being appraised is physical, appraising is a process of estimating a value of the property. Appraising does not transform the land in any physical way. Rather, it attaches a value which may transform the property's ownership (*e.g.*, sale price) or rights and interests in it. The appraisal of a real estate property is therefore an abstraction. *Cf. Bilski*, 545 F.3d at 943:

> Purported transformations or manipulations simply of public or private legal obligations or relationships, business risks, or other such abstractions cannot meet the machine-or-transformation test to determine patent-eligibility of process claims, because they are not physical objects or substances, and they are not representative of physical objects or substances.

> Given that the process in the body of claim 1 is not patent-eligible, we consider the addition of a nominal recitation of a computer in the preamble of the claim 1 to be a token recitation. To elevate such a token recitation of a computer to that of a "particular" machine that would satisfy the machine prong of the *Bilski* machine-or-transformation test would be to permit clever drafting of process subject matter not contemplated by the case law and to exalt form over substance in determining whether the claimed process passes §101 muster.

Cf. Ex parte Langemyer, 89 USPQ2d 1988 (BPAI 2008) (informative):

> Nominal recitations of structure in an otherwise ineligible method fail to make the method a statutory process. *See* Benson, 409 U.S. [63,] 71-72. As *Comiskey* recognized, "the mere use of the machine to collect data necessary for application of the mental process may not make the claim patentable subject matter." *Comiskey*, 499 F.3d at [1365,] 1380 (citing *In re Grams*, 888 F.2d 835, 839-40 (Fed. Cir. 1989)). Incidental physical limitations, such as data gathering, field of use limitations, and post-solution activity are not enough to convert an abstract idea into a statutory process. In other words, nominal or token recitations of structure in a method claim do not convert an otherwise

> ineligible claim into an eligible one. To permit such a practice would exalt form over substance and permit claim drafters to file the sort of process claims not contemplated by the case law. *Cf.*, *Flook*, 437 U.S. [584,] 593 (rejecting the respondent's assumption that "if a process application implements a principle in some specific fashion, it automatically falls within the patentable subject matter of § 101," because allowing such a result "would make the determination of patentable subject matter depend simply on the draftsman's art and would ill serve the principles underlying the prohibition against patents for 'ideas' or phenomena of nature."). In this case, we decline to allow clever claim drafting to circumvent the principles underlying the Supreme Court's interpretation for "process." The only recitation of structure is in the nominal recitation in the preamble citing a "method executed in a computer apparatus." This recitation is so generic as to encompass any computing system, such that anyone who performed this method in practice would fall within the scope of these claims. Thus, the recitation of a computer apparatus in the preamble is not, in fact, a limitation at all to the scope of the claim, and the claim is directed, in essence, to the method performed by any means. As such, we fail to find that this recitation alone requires the claimed method to include a particular machine such that the method qualifies as a "process" under § 101. We will not allow such a nominal recitation in the preamble to convert an otherwise ineligible claim into an eligible one.

For the foregoing reasons, we reject claims 1-11 under 35 U.S.C. § 101 as being drawn to nonpatentable subject matter.

CONCLUSIONS OF LAW

We conclude that the Appellant has shown that the Examiner erred in rejecting claims 1-12 under 35 U.S.C. §101 as being directed to non-statutory subject matter for the reasons the Examiner used; under 35 U.S.C. §112, first paragraph, as failing to comply with the written description requirement; and, under 35 U.S.C. §112, second paragraph, as being

indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The Appellant has not shown that the Examiner erred in rejecting claims 1-12 under 35 U.S.C. §103(a) as being unpatentable over Robbins and Galaty.

We enter a new grounds of rejection of claims 1-11 under 35 U.S.C. § 101.

DECISION

The decision of the Examiner to reject claims 1-12 is affirmed and we enter a new ground of rejection of claims 1-11 under 35 U.S.C. § 101.

This decision contains new grounds of rejection pursuant to 37 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides "[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review."

37 C.F.R. § 41.50(b) also provides that the appellant, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

> • (1) Reopen prosecution. Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner . . . .
>
> • (2) Request rehearing. Request that the proceeding be reheard under § 41.52 by the Board upon the same record . . . .

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

AFFIRMED; 37 C.F.R. § 41.50(b)

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